

State Dept. review completed

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FM THE SITUATION ROOM TOHAK 101

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DELIVER OPENING OF BUSINESS

TOHAK 101

TO LARRY EAGLEBURGER FOR THE SECRETARY
FROM: MAURICE J. WILLIAMS

SUBJECT: RENEWAL OF JEC MEETING

ASSUME QUESTION OF RENEWAL OF JEC MEETING WILL COME UP
DURING YOUR DECEMBER 20 MEETING WITH LE DUC THO. YOU WILL
RECALL THAT WHEN JEC SUSPENDED ITS MEETINGS JULY 23, WE HAD
REACHED SUBSTANTIAL AGREEMENT WITH THE DRVN ON:

- (A) DETAILED LISTS FOR FIRST AND FIVE YEAR PROGRAM PRO-
POSALS;
- (B) CONFIRMATION OF A FIVE YEAR U.S. CONTRIBUTION DIVIDED
INTO FIVE ANNUAL PARTS;
- (C) A FIRST YEAR LEVEL OF \$650 MILLION;
- (D) ANNUAL "CASH" PURCHASES FROM THIRD COUNTRIES OF \$100
MILLION, AND
- (E) CONCRETE PROCEDURES FOR IMPLEMENTATION.

AT THAT TIME, A MAJOR OUTSTANDING ISSUE BETWEEN DANG VIET
CHAU AND ME CONCERNED THE LANGUAGE CONFIRMING THE FIVE YEAR
U.S. CONTRIBUTION LEVEL IN A FIVE YEAR AGREEMENT. CHAU
SOUGHT, AS A MAJOR OBJECTIVE, TO RECONFIRM AS A PRECISE U.S.
OBLIGATION THE FIVE YEAR LEVEL YOU HAD DISCUSSED WITH LE DUC
THO. WE WERE PREPARED TO ACKNOWLEDGE THE PROPOSED FIVE YEAR
LEVEL IN THE INFORMAL AND GENERAL LANGUAGE OF THE PRESIDENT'S
MESSAGE. THE ISSUE IS IMPORTANT PRIMARILY IN TERMS OF U.S.
CONGRESSIONAL AND PUBLIC REACTION IF AND WHEN WE REACH THE
POINT OF NOTIFYING A FIVE YEAR AGREEMENT TO THE CONGRESS.

LE DUC THO ALMOST CERTAINLY WILL EXPECT THE JEC TO RECONVENE
AT AN EARLY DATE IN ORDER "TO SIGN THE AGREEMENTS ALREADY

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

***** * * * * * WHSR COMMENT * * * * *

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REACHED". YOU WILL RECALL THAT ANY AGREEMENT WHICH WE SIGN SHOULD BE NOTIFIED TO THE CONGRESS IN SIXTY DAYS UNDER A RECENT LAW PASSED BY THE CONGRESS.

(OTHER UNRESOLVED ISSUES WERE "OTHER FORMS" OF FOOD ASSISTANCE AND ADJUSTMENT FOR DEVALUATION OF THE U.S. DOLLAR, WHICH CHAU AND I AGREED WOULD REMAIN UNRESOLVED.)

IF YOU AGREE TO REOPEN THE JEC TALKS IN PARIS, THERE ARE SEVERAL POSSIBILITIES:

OPTION 1: SLOW PROGRESS ON FIRST YEAR AGREEMENT ONLY- WE COULD FOCUS DISCUSSION ON THE PROPOSED FIRST YEAR PROGRAM, RECONFIRM THE FIVE YEAR LEVEL ORALLY, STALL THROUGH ATTEMPTS TO UPDATE AND GAIN FURTHER INFORMATION, AND AFTER DELAY, INITIAL A FIRST YEAR AGREEMENT FOR SIGNATURE AT A LATER DATE IN HANOI.

OPTION 2: SLOW PROGRESS ON FIRST AND FIVE YEAR AGREEMENTS- STALL BY RAISING NEW ISSUES AND AFTER SEVERAL WEEKS INITIAL TEXT OF BOTH AGREEMENTS FOR SIGNATURE AT A LATER DATE IN HANOI, WITH ACTUAL SIGNING CONTINGENT ON PERFORMANCE BY DRVN.

OPTION 3: EARLY PROGRESS ON FIRST YEAR AGREEMENT, SLOW PROGRESS ON FIVE YEAR AGREEMENT -

AFTER APPROPRIATELY BRIEF UPDATING FORMALITIES, DANG VIET CHAU AND I WOULD SIGN FIRST YEAR AGREED CONCLUSIONS (WHICH WAS READY FOR SIGNATURE JULY 23) AND INITIAL TEXT OF FIVE YEAR AGREED CONCLUSIONS FOR SIGNATURE AT A LATER DATE.

OPTION 1 WOULD BE TOTALLY UNACCEPTABLE TO THE DRVN AND PROBABLY WOULD LEAD TO EARLY BREAKING OFF JEC TALKS WITH CHARGES OF BAD FAITH THAT WE WERE WITHDRAWING SUBSTANTIAL AGREEMENTS REACHED LAST JULY. THEY WOULD BE PARTICULARLY SUSPICIOUS BY ANY REFUSAL ON OUR PART TO CONFIRM THE FIVE YEAR LEVEL AND PROPOSALS.

OPTION 2 WOULD BE A SLOW FUSE ENGAGEMENT WITH WHAT THE DRVN WOULD REGARD AS OUR ILLUSIVE PROMISES OF SIGNED AGREEMENTS AS THE PRIME INCENTIVE.

OPTION 3 IS MOST LOGICAL FROM THE STANDPOINT OF FOLLOWING UP THE SEQUENCE OF WHERE WE STOOD AND OUR SUBSTANTIAL AGREEMENTS IN THE JEC LAST JULY. IN THIS OPTION OUR PROMISE TO SUBMIT AN AID REQUEST TO THE CONGRESS, CONTINGENT ON THEIR POLITICAL PERFORMANCE, WOULD BE THE IMPORTANT INCENTIVE FOR THE DRVN.

YOU WILL KNOW BEST HOW TO PHASE THESE OPTIONS AND TIMING TO YOUR POLITICAL OBJECTIVES. ONE THING IS CLEAR -- WE CANNOT CONSTRUCTIVELY RENEW JEC MEETINGS WITHOUT A FAIRLY EARLY (WITHIN SEVERAL WEEKS) REACHING OF AGREEMENTS, EITHER BY INITIALLING (A PROMISE TO SIGN) OR ACTUALLY SIGNING. BUT THE SIGNING OF AN AGREEMENT MEANS WE WOULD NEED TO TAKE CONGRESSIONAL LEADERS INTO OUR CONFIDENCE AS TO THE STATE OF PLAY AND PROGRESS IN THE JEC. I BELIEVE WE MIGHT RISK A CAREFULLY CONDUCTED AND LIMITED CONGRESSIONAL CONSULTATION FOR A FIRST YEAR PROPOSED PROGRAM AND LEVEL, BUT NOT ON THE FIVE YEAR LEVEL --WHICH GETS TOO CLOSE TO THE PRESIDENT'S MESSAGE.

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UNLESS WE CAN ACCEPT CONGRESSIONAL CONSULTATION WITHIN 60 DAYS AFTER THE NEXT ROUND OF JEC TALKS, I RECOMMEND YOU POSTPONE FURTHER JEC MEETINGS.

IF YOU DECIDE TO RENEW JEC TALKS -- IN RETURN FOR SPECIFIC CONSIDERATION -- I WOULD RECOMMEND OPTION 3 AS MOST LIKELY OF THE JEC OPTIONS OPEN TO YOU TO YIELD DRVN PERFORMANCE IN CONTINGENT AREAS.

BEST REGARDS.

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